

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3937
ANSWERED ON:26.08.2011
BANK CHARGES
Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has removed the limitation on the use of ATM of a bank by the customers of other banks without any charge;
- (b) if so, the details thereof;
- (c) whether the Government proposes to lower the charge taken by the banks for using their ATM by the customers of other banks;
- (d) if so, the details thereof;
- (e) whether the Government has any proposal to compensate the customers for the transaction charges taken by the banks from the customers of the banks having lesser number of ATMs; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (f): The card issuing bank is required to make payments towards switching-fee for settlement agency, interchange-fee to the acquiring bank for managing the ATMs, etc. for use of ATM of any bank by the customers of another bank. However, to ensure availability of ATM facilities to the banks' customers, the Reserve Bank of India (RBI) has allowed usage of other bank's ATM upto a total of 5 transactions a month including non-financial transactions. Further, to improve the efficiency of banks in ATM transactions and to minimize inconvenience to the banks' customers, RBI has issued guidelines, whereby:-

- i) The time limit for resolution of customer complaints by the issuing banks has been reduced from 12 working days to 7 working days from the date of receipt of customer complaint. Accordingly, failure to re-credit the customer's account within 7 working days of receipt of the complaint shall entail payment of compensation to the customer @ Rs. 100/- per day by the issuing bank;
- ii) The customer is entitled to receive such compensation for delay, if the claim is lodged with the issuing bank within 30 days of the date of the transaction;
- iii) All disputes regarding ATM failed transactions shall be settled by the issuing bank and the acquiring bank through the ATM System Provider only. No bilateral settlement arrangement outside the dispute resolution mechanism available with the system provider is permissible. This measure is intended to bring down the instances of disputes in payment of compensation between the issuing and acquiring banks.